

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

W-01790A
Saguaro Water Company
2200 East River Road, Ste.115
Tucson AZ 85718

APR 29 2005

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
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FOR COMMISSION USE

ANN04	04
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COMPANY INFORMATION

Company Name (Business Name) <u>Saguaro Water Company</u>			
Mailing Address <u>4572 E. Camp Lowell Drive</u>			
(Street)			
<u>Tucson</u>	<u>AZ</u>	<u>85712</u>	
(City)	(State)	(Zip)	
<u>(520) 577-2616</u>	<u>(520) 299-5602</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			
Local Office Mailing Address <u>2200 E. River Road, Suite 115</u>			
(Street)			
<u>Tucson</u>	<u>AZ</u>	<u>85718</u>	
(City)	(State)	(Zip)	
<u>(520) 577-2616</u>	<u>(520) 299-5602</u>		
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>Diane Davis</u>			
Manager			
<u>4572 E. Camp Lowell Drive</u>	<u>Tucson</u>	<u>AZ</u>	<u>85712</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 577-2616</u>	<u>(520) 319-6560</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>ddavis17@earthlink.net ddavis@campowell.com</u>			
On Site Manager <u>Chris Monson</u>			
(Name)			
<u>4572 E. Camp Lowell Drive</u>	<u>Tucson</u>	<u>AZ</u>	<u>85712</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 577-2616</u>	<u>(520) 319-6560</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			



Please mark this box if the above address(es) have changed or are updated since the last filing.

Company Name: Saguaro Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization Cost	29,256	29,154	102
302	Franchise Cost			
303	Land and Land Rights			
304	Structures and Improvements			-
307	Wells and Springs	151,928	8,527	143,401
311	Electric Pumping Equipment	172,471	43,997	128,474
320	Water Treatment Equipment	25	25	-
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	565,802	106,664	459,138
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	2,786,333	294,756	2,491,577
333	Services	1,176	1,176	-
334	Meters and Meter Installations	83,850	13,571	70,279
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
340.1	Computers and Software			
341	Transportation Equipment			
343	Tools and Work Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communications Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	250	250	-
	TOTALS	3,791,091	498,120	3,292,971

This amount goes on the Balance sheet Acct. No. 108

Company Name: Saguaro Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)*	Depreciation Expense (1x2)
301	Organization Cost	29,256	5.00%	1,463
302	Franchise Cost			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	151,928	5.00%	4,021
311	Electric Pumping Equipment	172,471	5.00%	5,874
320	Water Treatment Equipment	25	5.00%	
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	565,802	5.00%	28,290
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	2,786,333	5.00%	96,588
333	Services	1,176	5.00%	
334	Meters and Meter Installations	83,850	5.00%	3,341
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Fixtures			
340.1	Computers and Software			
341	Transportation Equipment			
343	Tools and Work Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communications Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	250	5.00%	-
	TOTALS	3,791,091		139,577

This amount goes on Comparative Statement of Income and Expense Acct No. 403.

* 1/2 year convention on depreciation (1/2 year depreciation on new assets, 1/2 year on retirements)

Company Name: Saguaro Water Company

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 34,303	\$ 467,598
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	20,382	28,560
145	Accounts Receivable/Associated Companies	53,925	28,329
146	Notes/Receivables from Associated Companies		
151	Plant Materials & Supply Inventory		
162	Prepayments	3,839	
174	Miscellaneous Current and Accrued Assets	322,278	28,278
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 434,727	\$ 552,765
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,794,898	\$ 3,791,091
103	Property Held for Future Use	56,000	56,000
105	Construction Work in Progress		5,420
108	Accumulated Depreciation - Utility Plant	(358,543)	(498,120)
121	Non-Utility Property		
122	Accumulated Depreciation - Utility Plant		
	TOTAL FIXED ASSETS	\$ 1,492,355	\$ 3,354,391
	TOTAL ASSETS	\$ 1,927,082	\$ 3,907,156

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ -	\$ -
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Meter Deposits	46,841	84,454
236	Accrued Taxes	18,319	46,927
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	178,202	9,603
	TOTAL CURRENT LIABILITIES	\$ 243,362	\$ 140,984
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	1,536,350	3,635,110
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Taxes		
	TOTAL DEFERRED CREDITS	\$ 1,536,350	\$ 3,635,110
	TOTAL LIABILITIES	\$ 1,779,712	\$ 3,776,094
	CAPITAL ACCOUNTS		
201	Common Stock	\$ 102,100	\$ 102,100
211	Paid in Capital	281,327	281,327
215	Retained Earnings	(236,057)	(252,365)
218	Proprietary Capital (Sole Props. And Partnerships)		
	TOTAL CAPITAL	\$ 147,370	\$ 131,062
	TOTAL LIABILITIES AND CAPITAL	\$ 1,927,082	\$ 3,907,156

Company Name: Saguaro Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Sales	\$ 215,000	\$ 333,356
460	Other Water Sales		
471	Other Operating Income		
	TOTAL REVENUES	\$ 215,000	\$ 333,356
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water		
615	Purchased Pumping Power	14,228	20,811
618	Chemicals		
620	Repairs and Maintenance	26,545	20,160
621	Office Supplies and Expense	150	2,975
630	Outside Services	78,612	86,808
635	Water Testing	3,630	4,765
641	Rents	2,000	
650	Transportation Expense		
657	Insurance - General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expenses	1,701	5,551
403	Depreciation Expense	65,320	139,577
408	Taxes other than Income	8,115	13,069
408.11	Property Tax	37	7,454
409	Income Tax	22,434	48,494
	TOTAL OPERATING EXPENSES	\$ 222,772	\$ 349,664
	OPERATING INCOME (LOSS)	\$ (7,772)	\$ (16,308)
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME (EXPENSE)	\$ -	\$ -
	NET INCOME (LOSS)	\$ (7,772)	\$ (16,308)

COMPANY NAME: Saguaro Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$84,454

Meter Deposits Refunded During the Test Year \$10,175

COMPANY NAME: Saguaro Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-617996	50	330		10		1963
55-540941	30	160		12		1994
55-590054	125	440		16		2004

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	1	110	
50	3		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
500,000	1	5,000	6

COMPANY NAME: Saguaro Water Company

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	14,510
5		
6	PVC	37,979
8	PVC	35,625
10		
12	Ductile Iron Pipe	18,850
12	PVC	9,865

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	418
3/4	23
1	67
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT: N/A

STRUCTURES: N/A

OTHER: N/A

Company Name: Saguaro Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
JANUARY	358	1,785,408	2,386,050
FEBRUARY	373	1,713,950	2,536,640
MARCH	395	2,449,620	2,988,190
APRIL	408	2,763,250	3,116,070
MAY	432	3,682,440	3,698,010
JUNE	454	4,380,370	1,868,920
JULY	472	3,953,140	5,252,480
AUGUST	488	5,054,430	5,444,340
SEPTEMBER	497	9,473,290	11,623,140
OCTOBER	505	7,344,910	8,983,140
NOVEMBER	517	5,348,850	5,420,460
DECEMBER	519	5,108,630	5,197,460
TOTAL		53,058,288	58,514,900

Is the water utility located in an ADRW Active Management Area (AMA)?

☒ Yes ☐ No

Does the Company have an ADWR gallons per capita (GPCD) requirement?

☐ Yes ☒ No

If Yes, please provide the GPCD amount: _____

What is the level of arsenic for each well on your system.

POE001 < 0.001

POE002 < 0.002

POE003 < 0.0045

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Saguaro Water Company

YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$3,744.81

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME: Saguaro Water Company

YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$138,719</u>
Estimated or Actual Federal Tax Liability	<u>\$37,350</u>

State Taxable Income Reported	<u>\$149,104</u>
Estimated or Actual State Tax Liability	<u>\$10,385</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>\$0</u>
Amount of Gross-Up Tax Collected	<u>\$0</u>
Total Grossed-Up Contributions/Advances	<u>\$0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4/28/05
DATE

Chris Monson
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

APR 29 2005

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Pima
NAME (OWNER OR OFFICIAL) TITLE
Chris Monson, President
COMPANY NAME
Saguaro Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ \$333,356

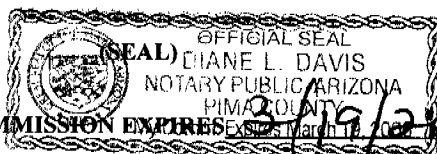
(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 13,069
IN SALES TAXES BILLED, OR COLLECTED)


****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

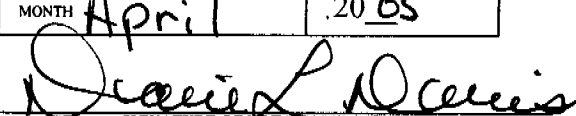
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28 DAY OF




SIGNATURE OF OWNER OR OFFICIAL
(520) 577-2616
TELEPHONE NUMBER

COUNTY NAME Pima
MONTH April 2005

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

APR 29 2005

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Chris Monson	President
COMPANY NAME Saguaro Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$333,356

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$13,069
IN SALES TAXES BILLED, OR COLLECTED)

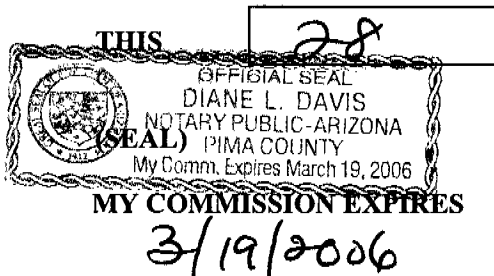
***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

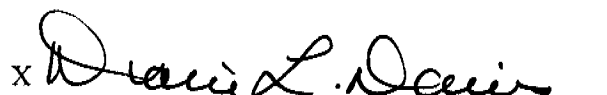
(520) 577-2616
TELEPHONE NUMBER

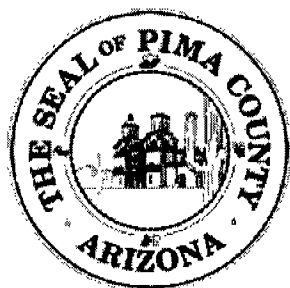
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



NOTARY PUBLIC NAME Diane L. Davis	
COUNTY NAME Pima	
MONTH April	2005

x 
SIGNATURE OF NOTARY PUBLIC



Beth Ford Pima County Treasurer

Parcel: 20574046E 9 Total Taxes: \$18.02 Tax Year: 2004 As of Date: 12/31/2004

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/22/2004	10/22/2004
Method:	CK	CK
Tax Paid:	\$18.02	\$0.00
Paid By:	01	01
Trans Type:	A	A
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SAGUARO WATER CO
ATTN: DIANE DAVIS/MANAGER
2200 E RIVER RD # 115
TUCSON AZ 85718

Property Address:

TAX DUE SUMMARY

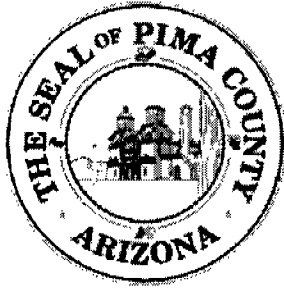
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

RINCON DESERT ESTATES S50' OF N1838' OF
E50'
TOTAL VALUE OF OPERATING PROPERTY -
TAXPAYER
GROUP NO 311

HISTORY TAX ROLL CHANGE

2003 \$18.48
2002 \$4,309.02
2001 \$7,478.74
2000 \$4,731.50
1999 \$3,737.60



Beth Ford Pima County Treasurer

Parcel: 931120000 4 Total Taxes: \$7,417.53 Tax Year: 2004 As of Date: 12/31/2004

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$3,708.76
Date Paid:	11/01/2004	
Method:	CK	
Tax Paid:	\$3,708.77	\$0.00
Paid By:	01	
Trans Type:	A	
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SAGUARO WATER CO
DIANE DAVIS/MANAGER
2200 E RIVER RD #115
TUCSON AZ

Property Address:

TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$3,708.76	\$3,708.76
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$3,708.76	\$3,708.76
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$3,708.76

Legal Description:

TOTAL VALUE OF OPERATING PROPERTY
TAXPAYER GROUP NO 311

HISTORY TAX ROLL CHANGE

2003	\$5,364.54
2002	\$0.00
2001	\$0.00
2000	\$0.00
1999	\$0.00